

Biz NS



The Big Picture
Looking ahead in 2010

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Biz NS

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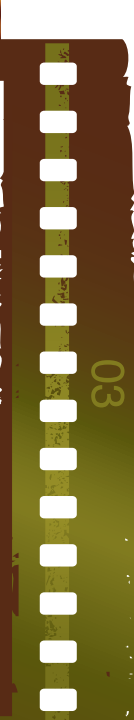
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■ (left to right):
Don Seale,
executive vice
president and chief
marketing officer
Jim Squires,
executive vice
president finance and
chief financial officer
Mark Manion,
executive vice
president and chief
operating officer
Wick Moorman,
chairman, president, and
chief executive officer
Jim Hixon,
executive vice
president law and
corporate relations
Deb Butler,
executive vice president
planning and chief
information officer
John Rathbone,
executive vice president
administration



Taking a snapshot of 2010

After pulling through a tough year, Norfolk Southern looks ahead to better business, but we're not out of the woods yet

One important lesson can be drawn from the Great Recession of 2009, according to Norfolk Southern's management team: NS is a strong, resilient franchise, with a work force willing and able to rise to the toughest of challenges.

To put 2009 in perspective, consider that overall carload volumes were down 19 percent, yet NS managed to cover shareholder dividends from free cash flow, finance key capital projects, and generate a little more than \$1 billion in profit.

That didn't just happen.

"We have an enormous number of strengths," CEO **Wick Moorman** told senior-level managers at Norfolk headquarters in February. "We have a great corporate culture based on going out there and doing 1,000 things 1 percent better each year, and staying relentlessly focused on running the safest railroad, providing the best service, and being the most efficient, cost-effective company."

In the year ahead, efforts by NS employees to reduce costs, improve performance, and grow revenue will be more important than ever, Moorman and other NS management executives say.

Even as NS has gained momentum since markets began improving in late 2009, the railroad faces challenges in an economy that remains fragile.

"2009 left us in a very deep hole, particularly in volume, which is down to levels prior to the Conrail transaction," Moorman told managers at the annual general management meeting. "I want my message to be clear that we are not out of the woods yet. My challenge to you is to go back and think about running a company where our activity is down 20 percent. We need to retain our absolute focus on cost control and on productivity in terms of revenue that we're generating."

In addition to economic issues, politics in Washington have raised other business concerns, including legislation that could hurt rail revenues with new regulatory restrictions. "The threats we face have never been stronger," Moorman said.

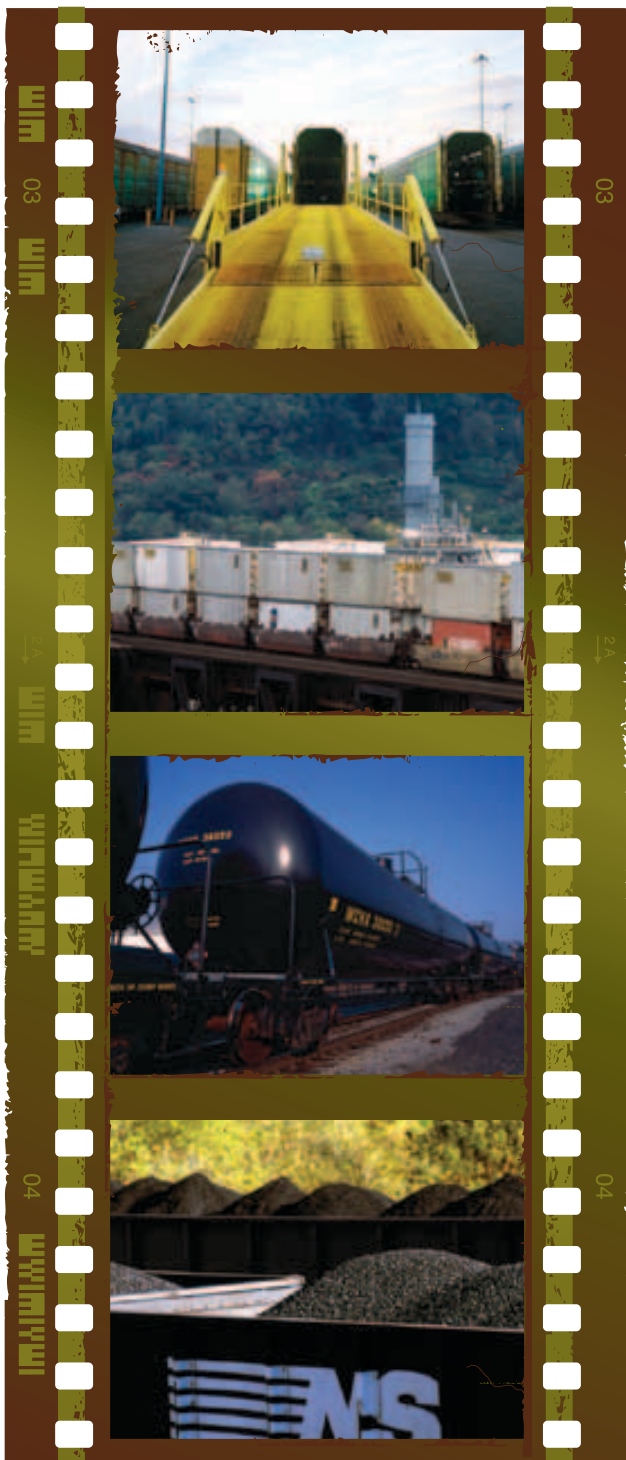
Moorman has identified two areas of special importance in 2010. One is WellINS, an effort to get employees to focus on their health. The company's health care costs are up about 18 percent this year and are growing at an unsustainable rate, Moorman said. He urged top managers to encourage employees to take advantage of WellINS, including avoiding behavior known to cause health problems, such as smoking.

The second key area is performance, the "P" in the company's SPIRIT values. Moorman said NS is rolling out a new performance management system to ensure company goals are aligned across the organization, and that departments are working together to meet them. The goals include targets for improving safety and performance, for growing revenue, and for continuing to expand technology to reduce costs and increase efficiencies.

Signs of an economic thawing are reflected in the railroad's 2010 operating budget, including the planned resumption of T-School and an uptick in capital spending. While not anticipating another economic downturn, the budget also does not assume a rapid economic recovery, Moorman said.

Given the extraordinary convergence of a tough economy and political uncertainties, BizNS interviewed Norfolk Southern's six executive vice presidents to get their outlook for the year. They outlined an array of efforts under way to meet the challenges that lie ahead and to take advantage of new business opportunities.

Together, they point the way to continued success in 2010 and beyond.



■ Top to bottom: Business is expected to pick up in automotive, domestic intermodal, chemicals, ethanol, and export coal in 2010.

A push to bring on new business

A full-court press to convert truck shipments to rail will continue as a primary business focus to grow revenue, said **Don Seale**, executive vice president and chief marketing officer. Last year, the marketing group scored a 21 percent increase in truck conversions, for an additional 112,425 rail carloads, and secured more than \$823 million in new business.

"That is a great accomplishment in a very challenging economy," Seale said.

The aim in 2010 is to move quicker to recruit new customers to replace business lost because of plant closings or other economic shifts. "We've got to evolve and change as the markets change," he said. "We have the ability to participate in every single segment of the economy, including the global economy."

Domestic intermodal, which is making a big push for truck conversions, has solid prospects for growth. Volume rose 5 percent in the fourth quarter of 2009, including a 13 percent jump in December. That trend continued into January, surging by 16 percent.

NS will continue to promote its six-corridor strategy for intermodal, which includes building public support for Crescent Corridor improvements. On Feb. 16, the Crescent Corridor was awarded \$105 million in public TIGER grants for new terminals at Memphis and Birmingham. Additionally, double-stack container traffic will be moving on the Heartland Corridor, and new auto ramps and intermodal capacity are part of the PanAm Southern Corridor in New England.

NS' outlook for the automobile market, described by Seale as "the poster child for the 2009 recession," is looking better, with business expected to improve as pent-up consumer demand drives more people to replace older vehicles, he said. Luxury car maker BMW is doubling the size of its auto plant in Spartanburg, S.C., and NS remains well-positioned for growth with Honda, Toyota, Volkswagen and Mercedes.

NS also is seeing improved demand in steel and metals markets. After the ThyssenKrupp steel plant in Alabama ramps up this year, NS expects to handle more than 2,000 carloads of business in the second half of 2010 alone.

NS moved aggressively in 2009 to grow its agricultural business, and the prospects this year look promising. A poor soybean crop in Brazil opened up new opportunities for export soybeans and grain, and NS moved quickly to seize them, Seale said. In the fourth quarter of 2009, NS export grain was up more than 6,000 carloads.

Domestically, ethanol production is expected to be a strong market as long as the U.S. government continues to favor its production, Seale said. In an encouraging development, NS expects to locate 12 new ethanol terminals and two new ethanol production facilities this year.

NS also is eyeing the domestic food market, seeing opportunities to ship goods in refrigerated cars and in intermodal service for grocery chains and food distributors.

The railroad's chemical franchise continues to recover, with volume in January close to a 52-week high. One promising market is in hauling fly ash away from utility plants for disposal in landfills. NS already is in that business in a big way with a contract to transport to an Alabama landfill about 3 million tons of fly ash that spilled from a TVA storage site last year in Tennessee. Other utilities now are looking at ways to safely dispose of fly ash rather than store it on site and risk spillage.

For NS' paper and forest products group, the still sluggish pace of housing starts is a challenge, although volumes have improved, Seale said, reaching a new 52-week high in mid-January.

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A longer-term concern is an ongoing shift by media companies away from newspapers and printed material to electronic delivery.

An export product that appears headed for a strong year is coal. Export coal, bolstered by a weak dollar and increased steel production in Asia and Europe, shot up 30 percent in the fourth quarter – the best growth in

10 years. That was due in part to NS' first-ever shipments of metallurgical coal bound for China. "China is taking all the coal it can get, and this is opening opportunities in our traditional European markets as well as for direct shipments to Chinese steel producers," Seale said.

Closer to home, domestic utility coal was down in 2009 and will be a "wild card" this year. In January, with cold weather and some recovery in industrial electricity demand, stockpiles of utility coal dropped by around 15 percent,

a rapid burn-down that augers well for a rebound later in the year, Seale said.

Because coal supplies around 45 percent of U.S. electricity needs, media obituaries for coal production are premature, he added. "The U.S. does not have the ability to simply turn away from using coal over the next 15 to 20 years, and alternatives for electricity generation, such as increased nuclear power, are a long way off even if the construction of new plants started today. So, utility coal as a source of business is going to continue to be with us for many years to come," he said.

NS' international intermodal group, hit hard by the global recession, is the only market that did not see a sequential increase in business during the second half of 2009. Business prospects for the group, linked closely to consumer demand for imported goods, aren't expected to begin improving until the fourth quarter of this year, Seale said.

■ Left: LEADER technology, which helps conserve fuel and reduce wear and tear on equipment, is being installed in 500 locomotives in 2010.

■ Right: UTCS, NS' next-generation dispatching system, will be in operation on eight divisions.



Safety remains tops

In operations, safety, as always, will remain priority No. 1 in 2010. That's why NS has been the safest Class 1 railroad for the past 20 years. "While we continue to be the frontrunner in the industry, we know we can do better," said **Mark Manion**, executive vice president and chief operating officer.

NS employees finished 2009 with a safety ratio of 1.08, based on the number of injuries per 200,000 employee-hours worked. That fell short of NS' 0.94 ratio in 2008 but was better than the 1.16 ratio in 2007.

In 2010, the safety goal is an injury ratio of 0.75, which, if attained, means more employees will return home safely each day, Manion said. To help achieve that, NS is encouraging proactive efforts by local safety committees, including motivating agreement employees to participate in safety audits. Already, mechanical and engineering employees are involved in peer-to-peer safety audits, and transportation has started.

"It's a big deal when you get peers auditing peers, because they really pay attention to each other," Manion said. "Those can be the most effective audits. More and more of our people understand that safety audits are not a punitive process. It's all about helping each other do the job safely and efficiently."

Operations departments are being encouraged to reach outside their own area to promote safety, he added. It's not uncommon, for example, for engineering employees to make a safety contact over the radio to passing trains.

In the area of operating performance, Manion said NS continues to do well with connection performance at terminals and adherence to the operating plan. More emphasis will be placed on NS train performance because it's such a big driver of overall customer service.

In another big push, operations will increase the use of technology to improve efficiency, customer service, and performance, with planned expansions of the Unified Train Control System, remote intelligent terminal, remote control locomotives, and LEADER®.

The number of divisions operating with UTCS, the railroad's next-generation dispatching system, will double from four to eight, helping the railroad improve service delivery for customers and better compete against trucks. Movement planner, which identifies dispatching patterns that are optimal for using train and track time more efficiently, will be added to five of the eight divisions. The use of RIT, enabling conductors to remotely transmit information about inbound and outbound rail cars from rail yards, will expand from the Alabama Division to three additional operating divisions.

LEADER, Locomotive Engineer Assist Display and Event Recorder, is expected to be installed on 500 more locomotives, including the first trains in the Northern Region. LEADER helps engineers run trains at optimal speeds based on track and load conditions, reducing NS' diesel fuel bills and wear and tear on equipment.

If there is a silver lining in the recession, Manion said, it is as a reminder that there are always better, more cost-efficient ways of doing things.

"We can't lose sight of that in good times or in challenging times," he said.

Legislative issues cause concern

Federal legislation that could harm the rail industry and the nation's economy is a major focus for 2010, according to **Jim Hixon**, executive vice president law and corporate relations.

One troublesome bill is the Surface Transportation Board Reauthorization Act. It could significantly change the regulatory structure under which railroads operate in terms of competition and how the STB addresses rate disputes, Hixon said.

"It would dictate our service and provide more access by other carriers," he said. "We're looking for balanced regulation, and this is not it in its present form."

Hixon said the legislation would impact revenues in that NS would not be able to price to the market. Currently, NS uses differential pricing to help support lower-density lines.

"We need to have some return on embedded costs and investments and make some profit," Hixon said. "We can price certain traffic higher to offset the costs of maintaining lower-density lines. This bill would affect profits and also could affect hiring. Ultimately, it will reduce revenues and investments in our system and equipment, and it might mean having to shed some lines. That wouldn't help customers on those lines, and it doesn't get trucks off the highways."

Railroads received some relief from regulations under the 1980 Staggers Act, which gave railroads more control and flexibility over contracts with shippers. Prior to that, freight rates were fixed by the Interstate Commerce Commission, the STB's predecessor. Now railroads can negotiate independent contracts with shippers. Deregulation also gave railroads more say and control over operations and how they disposed of assets such as track.

"We're working with members of both the Senate and the House to explain how the bill needs to be modified to maintain a healthy freight rail system that contributes in a positive way to the nation's infrastructure issues," Hixon said.

On another legislative front, NS and the entire industry continues to work with the Federal Railroad Administration to refine regulations related to positive train control. PTC, which the rail industry must install by the end of 2015, is intended to make rail transportation safer along routes that carry toxic inhalation hazardous materials and passenger traffic. As passed by Congress, however, it is an unfunded mandate with only a \$1 of benefits for every \$22 the rail industry will spend installing the system.

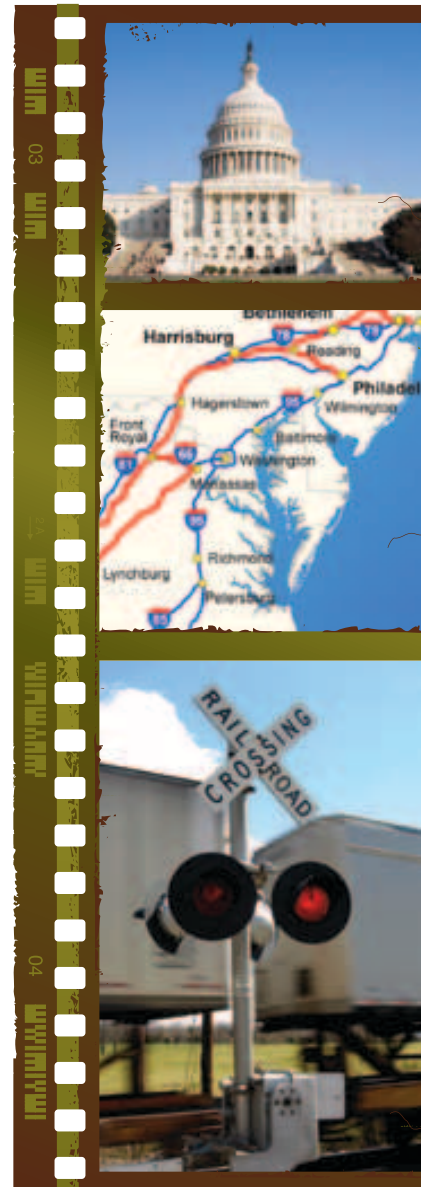
High-speed and passenger rail are other issues Hixon's group is watching, as the Obama administration sees rail as a good solution to transportation issues. Funding for public-private partnerships such as NS' Crescent Corridor, an existing 2,500-mile rail network through 13 states from Louisiana to New Jersey, also is on the agenda. The project has been awarded \$105 million from the U.S. Department of Transportation under the American Recovery and Reinvestment Act of 2009, Transportation Investment Generating Economic Recovery Program and has support from Pennsylvania, Alabama, Mississippi, Tennessee, and Virginia. Four states – Illinois, Indiana, North Carolina, and Ohio – have received more than three-quarters of a billion dollars to invest in passenger rail projects that would use NS lines.

"We continue to look for opportunities to strengthen freight rail and have a positive effect in the communities we serve," Hixon said.

■ Top: Federal legislation might be harmful to railroads.

■ Middle: NS' Crescent Corridor has been awarded \$105 million in TIGER grants.

■ Bottom: Positive train control is a major issue for U.S. railroads.



Planning For today and tomorrow

■ Designers such as Jennifer Epps (bottom) are helping NS provide better service to its customers through enhanced technologies.

The recession has not fundamentally changed NS' overall planning strategy for 2010, said **Deb Butler**, executive vice president planning and chief information officer. Butler leads the railroad's strategic planning and information technology groups.

On the planning side, an infrastructure team looks at challenges and opportunities to modify existing lines and properties, while a tactical line management team looks at branch lines, short lines, and joint ventures.

One of the largest initiatives under Butler's group is Track 2012, NS' five-year strategic road map. Track 2012 projects are a top priority in 2010 and have received significant financial and human support.

"We know more about needed service and improvements as we've moved through the process," Butler said. "We have reset some goals because of the economy, and we may have to change some timelines, but we're confident we'll accomplish what we set out to do and make significant strides in 2010."

In addition to expanding Unified Train Control System and adding movement planner. Another large project, GIS mapping, will be completed this year. Every mile of track and all NS facilities will be part of the GIS mapping system.

One extraordinarily large technology project is Synergy. The new IT system, using SAP business software, will allow NS to decommission 23 computer-based systems and fully integrate all other systems. 2010 is a work year, with implementation planned for mid-year 2011.

Along with NS' government relations group, Butler's group will look closely at opportunities to run more passenger service over freight lines.

"There are opportunities for both freight and passenger to benefit," Butler said. "That said, we have to be sure that we preserve or improve freight capacity, have no

additional liability, and make some profit. While Norfolk Southern wouldn't run the trains, we would host them on our railroad."

Funding for passenger projects comes through the states that apply for transportation money, and NS is working with the states on its system to develop projects that benefit both freight and passenger rail.



Finances strong, economy improving slowly

With the U.S. economy finally appearing to turn a corner, NS should see more favorable revenue numbers in 2010, according to **Jim Squires**, executive vice president finance and chief financial officer. He cautioned, however, that the strength of the recovery is still uncertain and likely will show slow improvement.

"In 2009, we saw some gains in the latter half of the year, but our final results were down significantly, and it will take some time to reattain the levels we saw in 2007 and 2008," Squires said.

While credit tightened in 2009, NS has managed to obtain favorable terms because of its strong financial position. Squires said the company has ample liquidity and is able to tap the credit market if necessary.

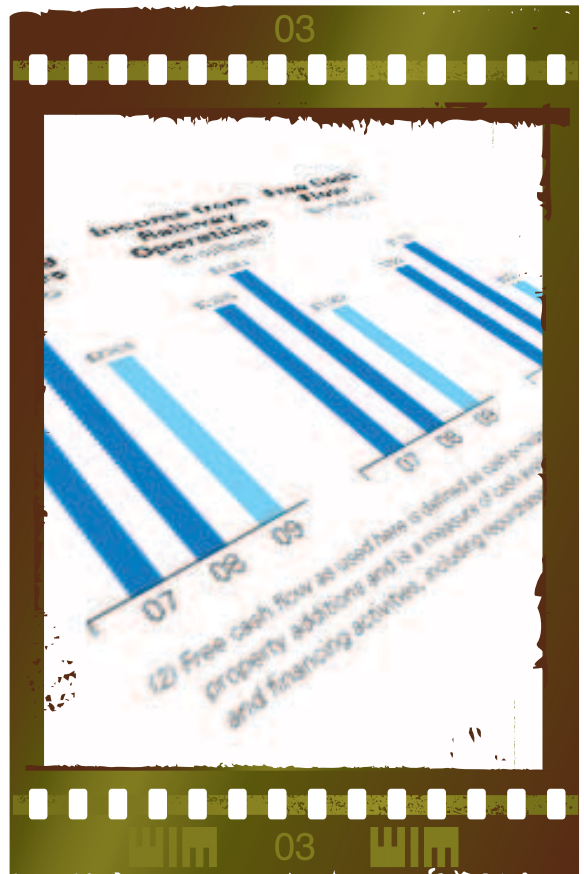
"As we developed our budget for 2010, we tried to look ahead and predict as accurately as possible what our markets would look like," Squires said. "Our operating budget includes revenues, expenses, and taxes. Budgeting is a dynamic process, so we reforecast periodically depending on market and financial conditions."

The capital budget is NS' investment plan, including spending on maintenance of way, technology, and infrastructure. One of the bigger increases in 2010 is for positive train control.

Certain expenditures, such as labor, fuel, and material costs, cannot be avoided, so NS must concentrate on productivity to remain profitable, Squires said. That means using assets wisely, making the appropriate investments in technology, and containing costs.

"Increasing productivity will be key in 2010," Squires said. "The faster and more efficiently we turn our assets, the better off we'll be."

The capital budget is NS' investment plan, including spending on maintenance of way, technology, and infrastructure. One of the bigger increases in 2010 is for positive train control.



■ 2009 railway operating revenues dropped 25 percent over 2008 revenues.



■ Top to bottom: NS' WellINS initiative focuses on three areas - know your health, quit tobacco, and get active.

The people part of the equation

For **John Rathbone**, executive vice president administration, people issues are in the forefront in 2010.

"Our demographics tell us we have a significant part of our work force that could retire in the next five to 10 years," Rathbone said. Replacing some of them is a tall order given the slow economy.

"We have hiring constraints given the uncertainty of the economy, yet we have to bring in new people to make sure we have the right-sized work force for the job at hand," Rathbone said.

A hiring freeze announced in early 2009 has been relaxed, especially for essential positions that must be filled and in some geographic areas where more people are needed.

In 2010, NS plans to hire conductors and other crafts as well as management trainees and operations supervisor trainees, who must be prepared to step into leadership positions as long-time supervisors retire. For OST positions, the company continues to recruit people with industrial, supervisory, and/or military experience. Rathbone says they are a good fit with our culture and work requirements. For its recruiting efforts, NS was named one of the Best Places to Start a Career by Business Week magazine and received honors from GI Jobs magazine.

Other major issues that Rathbone's group will be focusing on in 2010 are national negotiations for agreement work force contracts, health care initiatives, and Synergy.

An 18 percent increase in NS' health care costs is far above the national average, he said.

"We're trying to bring down some of those costs by encouraging healthier lifestyles through WellINS," Rathbone said. "We're focusing on three initiatives in 2010: know your health, quit tobacco, and get active. We have a lot of activities across the system for employees and their spouses, plus a Web site that provides many tools that will help NS people have healthier lifestyles."

Like all of NS' executive vice presidents, Rathbone is optimistic about 2010.

"Overall, we seem to be in a better environment than in 2009, even with a slow recovery and high unemployment levels," he said. "Volumes are picking up, and we're well-positioned to meet our customers' needs by matching our work force and our productivity." ■ BizNS

Taking stock of Norfolk Southern

On the floor of the New York Stock Exchange, a trader outfitted in a royal blue jacket oversees the buying and selling of Norfolk Southern stock, using a handheld computer to instantly record transactions.

He works for Barclays Capital, a Wall Street investment banking firm that is NS' "market maker" — a role assigned by the NYSE to ensure the fair and orderly trading of the railroad's stock. In 2009, Barclays oversaw an average daily trading volume of 4.5 million NS shares, a fraction of NS' approximately 373 million outstanding shares.

As market maker, Barclays buys and sells NS shares to even out daily trading imbalances: It buys on days when sellers outnumber buyers and sells when the market is overloaded with investors wanting to buy into the railroad.

The role carries inherent investment risks, but with NS' market capitalization of around \$19 billion and its record of solid management, Barclays is happy to be NS' market maker, said **Carmen Barone**, the firm's vice president of corporate relations.

"NS is an established, seasoned company with an excellent management team and great visibility in the marketplace," Barone said. "It attracts investors looking for stable growth and less volatility."

Given the challenges facing the U.S. economy in the year ahead, the railroad's business performance and commitment to grow earnings is more important than ever to shareholders — including employees who own NS stock, said **Jim Squires**, NS executive vice president finance and chief financial officer.

"It is our duty and responsibility to serve the interests of the people who own our stock," Squires said. "We do that by creating shareholder value, which will attract new investors and new capital to our business. In the long run, if we can't convince people to invest in our company, we will not be able to adequately serve our employees, customers, and communities."

As part of an ongoing initiative to enhance investor relations, NS late last year launched improvements on the company Web site that give shareholders a broader view of the railroad's financial performance. The user-friendly upgrade makes available such things as NS stock performance, including dividend and price history, a list of largest stockholders, and e-proxy voting capability. There's also easier access to news releases, earnings presentations, SEC filings, and rail analyst coverage.

Many of the changes came in response to an NS survey that asked the investment community, including investors and analysts, for feedback on ways to improve shareholder communications, said **Leanne Marilley**, NS director investor relations.



■ James Sciulli, a Barclays Capital trader, serves as the designated market maker for Norfolk Southern on the floor of the New York Stock Exchange.

Because Wall Street can be fickle, it's difficult to explain day-to-day fluctuations in NS' stock price beyond typical market "noise." However, NS' stock often follows overall market and economic trends.



NS had an opportunity to expand its financial reporting capabilities through a partnership created by Thomson Reuters and the NYSE. Thomson Reuters provides NS with market surveillance on who is buying and selling the railroad's stock. At no additional cost or resources to NS, the partnership offered to host Web-based features allowing shareholders to access more detailed information by clicking the "Investors" tab on the NS Web site.

"This is a first for NS," Marilley said. "It allows us to tap into data that's provided externally and to be more responsive to our investors. In terms of financial communications, this keeps us up to speed with best-in-class practices."

Just as NS is viewed as a stable, established company, the railroad's top investors are familiar names in the financial investment community. The largest shareholders include such mutual fund companies as Vanguard and Capital Research and banking firms JP Morgan Chase and State Street. Roughly two-thirds of NS' stock is owned by the top 150 of such institutional investors.

While U.S. shareholders own most of NS' stock, foreign investors as of late 2009 held about 12 percent of outstanding shares. They are based principally in the United Kingdom and elsewhere in Europe, in Canada, and in Asia, including the Singapore government. In December, Squires met with a contingent of Norwegian shareholders.

Because Wall Street can be fickle, it's difficult to explain day-to-day fluctuations in NS' stock price beyond typical market "noise." However, NS' stock often follows overall market and economic trends. This was clearly witnessed in early 2009, Squires said, as the economy sank into deep recession, financial markets seemed to melt, and panicked investors sold off stock holdings en masse.

As a result, NS' stock declined along with the rest of Wall Street, before beginning a steady rise. Since hitting a 52-week low of \$26.69 last March, NS stock has rallied significantly. In early 2010, shares were trading at more than \$50, nearly double last year's low.

"When our stock was trading in the \$20s, neither the fundamentals of our business nor our strategy had changed," Marilley said. "It was more a case of the market behaving in very volatile ways because of the unprecedented economic downturn."

Late last year, the stock of NS and other Class 1 railroads received a boost after famed investor **Warren Buffet**, CEO of Berkshire Hathaway, announced his company was buying the Burlington Northern Santa Fe railroad. Coming amid an uncertain economy, investors viewed Buffett's bid as a vote of confidence in the rail industry and the U.S. economy.

When gauging the railroad's market prospects, Barclays analysts look at broad economic indicators, which can be catalysts that move rail stocks. "We look at things like the unemployment rate and consumer spending as indicators of whether Norfolk Southern will be shipping more on the rails," Barclays' Barone said. "We look at whether interest rates are stifling or stimulating the economy or causing inflation. We also look at such things as coal production, because coal is a substantial part of NS' business and the more produced, the more NS has the potential to haul."

In recent months, it appears investors have been buying NS stock based on a thesis that the U.S. economy is recovering from the recession, Squires said. Historically, rail stocks have led stock market recoveries because investors expect railroad earnings to grow as business conditions improve and trains begin hauling more goods.

A plus for the railroad industry is its longevity — an attraction for many investors. NS is among a handful of companies that have issued back-to-back 100-year bonds, sometimes called century bonds. In the late 1990s, NS paid off a century bond that financed rail acquisitions made in the late 1890s by predecessor Southern Railway. Soon thereafter, NS issued another century bond to help finance its purchase of part of Conrail.

"It's really interesting and humbling that investors are willing to entrust us with their capital for so long," Squires said. "They are betting that we are going to be here in 2097 to repay the debt. That's got to be fairly unique in the annals of modern capitalism." ■ BizNS

All in the Family

For many employees, railroading is in the blood

He was 4 months old when he got his first train set for Christmas in 1953, and he rode in a freight locomotive before he took his first step. These days, **Randy Survant** makes his living railroading as director marketing motor carrier and performance in Norfolk Southern's intermodal group.

"I've been around trains forever," he said.

So has his family. Survant is a fifth-generation railroader. His industry connections date to 1885 and his great-great grandfather, Alfred Survant, a track foreman in Indiana for a subsidiary of NS predecessor Southern Railway.

At NS, Survant is in good company.

From the highest levels of management to track gang laborers, many NS employees have followed parents or grandparents into the business. When employees talk about the Norfolk Southern "family," that's often literally the case. Many have children, siblings, cousins, and uncles or aunts who are or once were railroaders.

"It's not unusual by any means," said Survant, a 32-year NS veteran.

Survant's family worked in operations, including his father **Earl Survant**, who once was a railroad telegraph operator and

retired in 1987 from NS' stations and terminals sector Atlanta. On his mother's side, grandfather **Lloyd Ash**, a locomotive engineer, hand-fired steam locomotives for Southern.

Theories abound on why multiple generations go into railroading. One offered by Survant rings true to many employees: "It's more of a lifestyle than a 9-to-5 job," he said. "In the family, you're exposed to the work 24 hours a day, so it becomes part of your culture."



■ Randy Survant standing next to images of his father in the NS Museum.



The railroad ‘mystique’

Among senior management, **Mark Manion**, executive vice president and chief operating officer, goes back four generations. In his office, he keeps a switch lantern and a railroad telegraph key used by his grandfather, **Ira Manion**, a transcontinental telegrapher for Northern Pacific who later became general manager with Great Northern. His great grandfather was a section foreman for the Rock Island. His dad, **Donald Manion**, was a vice president of operations for Missouri Pacific and later was a vice president for Union Pacific before retiring in 1985.

“It’s been said that railroading gets in your blood, and I have to agree with that,” Manion’s father, now 89, said. “The appeal to me is the dynamics of it — it’s a moving proposition 24 hours a day. Growing up in a railroad family, you learn the demands and the disciplines that are necessary to do the job.”

After joining NS predecessor Norfolk and Western in 1975 as a management trainee, the younger Manion moved into an assistant trainmaster’s job and started his way up the operations ranks.

“Part of the appeal of this business is that no two days are alike,” Manion said. “The business is somewhat unique, with its own language. There is a certain pride in understanding that the people who came before you in your family have done the same thing.”

Many NS employees say railroading has a special allure that cuts across generations.

“I don’t know if anyone can explain the mystique of railroading, but there is something about it that is just intriguing,” said

George Aspatore, who retired in January as general solicitor in NS’ law department after 34 years. “Part of it may be that railroads have a history in this country that is pretty much unparalleled, and that’s kind of neat. Secondly, we have big toys. Most people have some level of fascination with trains, and I can’t explain that other than they are big things that move across steel on steel and that catch your eye.”

A year ago, his son, **James Aspatore**, left the Chesapeake, Va., police force to become an NS special agent. “I wanted to stay in law enforcement, and being an agent with NS allowed me to do that and yet lead a better quality of life,” he said.

“I’ve been around the railroad my whole life, and I’ve met many people who worked for NS,” added James, 31. “They have always been the kindest people in the world to me. I’ve just always had a lot of respect for NS.”

A third generation of Aspatores may be a railroader one day. James’ 3-year-old son, Riley, loves the TV show “Extreme Trains.”

“We’ve watched that show dozens upon dozens of times,” George Aspatore said. “He’s fascinated with it.”



■ In photo at left, Mark Manion, NS executive vice president and chief operating officer, and his father, retired railroad executive Donald Manion, talk about the allure of the railroad business. At top, Mark Manion holds a lantern used by his grandfather, Ira, who worked for Northern Pacific and Great Northern.

Family ties

NS' human resources department does not track the number of employees with a family railroad heritage. Years ago, landing a railroad job often came through family connections.

"When I hired on, you had to know somebody," said **C.D. Jefferies**, a conductor in Bluefield, W.Va., who joined N&W in 1975 after high school. "My father took me down to see his boss and got me on."

The prevailing thinking held that if the father was a good worker, the son would be, too. Jefferies, a third-generation railroader, said his dad, **W.J. Jefferies Jr.**, was the first black hosteler in Bluefield, running engines in the yard. "I used to go down and take him his lunch, and he'd show me the engines," Jefferies said. A brother, **W.J. Jefferies III**, currently is an NS carman. C.D.'s son, **Cloyd Jefferies Jr.**, works in NS central transportation, motoring train crews to and from work assignments.

"I like knowing I work for Norfolk Southern," said Jefferies, who won a Golden Watch Award last year for 34 injury-free years.



In more recent times, NS has tightened its hiring policy regarding relatives. Now, a person cannot be employed in a position that supervises or is supervised by a family member.

"Our hiring process is much more open than it used to be," said **Jim Waters**, NS manager of agreement employee recruitment. "With our online job listings, people in California or anywhere in the world, really, can apply for a job in Georgia or West Virginia. We bank on our hiring being competitive and the best candidate getting the job."

When **Amy Swackhammer** went after a conductor job in 2000, she didn't tell anyone that her father, grandfather, and great grandfather were locomotive engineers and conductors on the Lehigh Valley and Conrail in Pennsylvania.

"I didn't want people to think that's how I got on," said Swackhammer, now a road foreman of engines in Buffalo, N.Y. "I wanted to do this on my own."

Swackhammer then was 23 and working in North Carolina for an airline when she saw a newspaper ad about the NS position while visiting her parents in Pennsylvania.

"I asked my dad if he thought I could handle a conductor's job, and he said 'Absolutely!' He was ecstatic that I wanted to work for the railroad," she said. "My father wasn't home a lot when I was growing up, and I knew I was walking into a job where travel would come in to play, but I didn't have children, and I wasn't married. For me, it was an opportunity to advance myself. I jumped in with both feet."

"For me, it was an opportunity to advance myself. I jumped in with both feet."

Amy Swackhammer,
road foreman of engines.

■ James (left) and George (right)
Aspatore, near one of Norfolk Southern
research locomotives.

With the long hours that railroading can demand, it's perhaps no surprise that co-workers often end up as family. After meeting a decade ago as employees in the intermodal group at Norfolk headquarters, **Cliff Creech**, group manager intermodal maintenance, and **Katie Fletcher**, product manager in the paper, clay, and forest products group, got married.

They both had family ties to NS: Katie's father, **Carlos Fletcher**, worked 40 years

for NS before retiring in Norfolk from the law department. Cliff's dad, **Clifford L. Creech**, works for NS in damage prevention in Atlanta.

Before joining the railroad, Cliff Creech, 34, worked a year in Chicago on a casino boat after graduating from the Merchant Marine Academy. He had interned a summer at NS, however, and applied for an intermodal group job after his father alerted him to an opening.

"I looked at the opportunities my dad had

at NS for advancement and to get into decision-making roles early in his career, and that appealed to me," Creech said. "You hear that people in my generation expect to work for four or five different companies in their career, but I had no desire to do that. The stability of the railroad was very attractive to me."

Fletcher, who has a degree in health care administration, was pursuing an MBA and working for an insurance company negotiating bodily injury claims when she decided the railroad offered a better future.

"Norfolk Southern has been so good to my family, and where I grew up there are very few FORTUNE 500 companies," Fletcher said. "I knew if I wanted to stay in the area, NS was one of my few options. It afforded me an opportunity."



■ Cliff Creech and Katie Fletcher share a rich railroad family history.



Living in a railroad town

Historically, where people live has been a major factor in producing multi-generational railroaders. Particularly in rural communities along NS' network, the railroad offered some of the top-paying jobs.

Bluefield is one of those places. For years, the railroad and the coal mines have been employment mainstays for residents in southern West Virginia.

"When you've got a family to feed, everybody wants to go to the highest paying jobs, and around here I'd say the No. 1 job was the railroad," said **Melvin Pannell**, a third-generation railroader. The 34-year veteran is a yard switchman at Mercer Street in Bluefield, working the same job his dad, the late **Fred Pannell Sr.**, once held.

"I could afford to do a lot of things for my family I never could have done as far as vacations to Disney World, or sending my kids to basketball camp," he said. "I just thank God every day for having the opportunity to be able to do that."

Before joining NS, Pannell worked five years after high school with the local telephone company. One day, he got a call to install a telephone at the railroad yard office. He discovered that most everybody there knew his dad, and he ended up applying for and getting a conductor's position.

"I work with a bunch of guys I went to school with and played ball with and I've been knowing my whole life," he said. "We've got a good bond here. It's been a good ride for me."

One of his friends is locomotive engineer **Ed Smith**, who lives minutes away. Smith joined the railroad out of Bluefield High School in 1970, following his father's footsteps.

"I didn't want to go college. I wanted a job so I could be independent and make my own money," he said. "With a high-school education, getting on with the railroad has been one of the best jobs going in this area, then and now. I've always had a roof over my head, I've never been cold, never been hungry a day in my life. I'm not bragging. I'm just saying everything was good because of the railroad."



■ Top: Melvin Pannell followed in his father's footsteps.

■ Left to right: C.D. Jefferies, Ed Smith, and Melvin Pannell, all multi-generation railroaders from Bluefield.



■ Roxanne Bourne's family has a combined 116 years with the railroad.

For others across NS' 22-state network, railroading will continue as a family tradition. An industry that is woven into the fabric of U.S. history now is a transportation leader in the 21st century. Rail is now the green choice, offering shippers a safe, reliable, and cost-efficient way to transport goods.

When **Roxanne Bourne** joined N&W 36 years ago in Bluefield, she landed a secretary's job after passing a shorthand dictation and typing test. At one point, she worked for her father, **Ronnie Brooks**, who started on the railroad as a laborer in 1953 but worked his way to division storekeeper in material management. Her grandfather, **I.W. Brooks**, also once worked in the storehouse as a laborer starting in 1930. All three have a combined 116 years with the railroad.

Now division office manager for the Pocahontas Division, Bourne recalls being furloughed for a few months after hiring on in 1973. During that time, she worked yard clerk jobs off the "extra board," a list of agreement workers, ranked by seniority, who are called when work is available. She said she was the yard's first female extra board clerk.

"They had to put locks on the restroom doors in the west yard office when I started working," she said.

Bourne took secretarial classes at Bluefield High School and was prepared for an office job when she graduated at 18. She didn't receive special treatment during the year she worked for her father, she said.

"My grandfather and father both had really good work ethics, and my father expected the same from me," she said. "I lived at home then and rode to work with him every day. Even if I wasn't feeling real well, I still had to come in and work. I feel very lucky to have gotten a job at such a young age and to be able to keep working after all these years."

While railroading jobs are still sought after in Bluefield, more sons and daughters are going on to college or moving away to pursue other work. Smith's son, for instance, is seeking an advanced nursing degree in the medical profession. Pannell's son holds a degree in business administration and is working in financial management.

"My son says he used to lie in bed and hear me going out the door at 2 or 3 or 4 in the morning, and it would be snowing, raining, below 0," Pannell said. "He said he made up his mind that he didn't want to work on the railroad. I let him choose the way he wanted to go."

For others across NS' 22-state network, railroading will continue as a family tradition. An industry that is woven into the fabric of U.S. history is a transportation leader in the 21st century. Rail is now the green choice, offering shippers a safe, reliable, and cost-efficient way to transport goods.

"When I started with the railroad in 1975, we were in the midst of a recession and economic downturn and, frankly, it was a good, solid job to land," **Mark Manion** recalled. "Interestingly enough, fast forward more than three decades, and these have not only remained good, solid jobs, the opportunity is probably better now than it's ever been. It's pretty miraculous for a company that's been around for 175 years to be positioned where the future has really never been brighter."

"I kind of wish I was still in the business," added Manion's father, "because it's got great places to go." ■ BizNS

NS looking for ways to let employees get greener

Two years after Norfolk Southern appointed the rail industry's first corporate sustainability officer, initiatives to make the railroad greener are taking root in offices and yards across the system. Employees are searching for ways to reduce waste, cut costs, and improve operating efficiencies.

The Corporate Communications Green Team is leading one of the latest efforts: Giving employees the option to go paperless on certain communications they receive from the company.

The team has developed two pilot projects to test the concept. In one, employees can elect not to receive a printed copy of BizNS, the bimonthly employee magazine mailed to about 40,000 NS employees and retirees. The magazine's content is available on the corporate Web site, and the pilot program will let employees choose to receive an e-mail alert and Web link when a new edition is posted online.

Employees can change their method of getting BizNS by going to the company's Employee Resource Center Web site, selecting the "About Me" tab, Green Communications form, and clicking on the electronic option.

"Some people will want to continue receiving a paper copy in the mail, and that's fine," said **Ronald Alderman**, manager accounting systems and green team chairman. "For those who want a greener alternative, we're going to give them that choice."

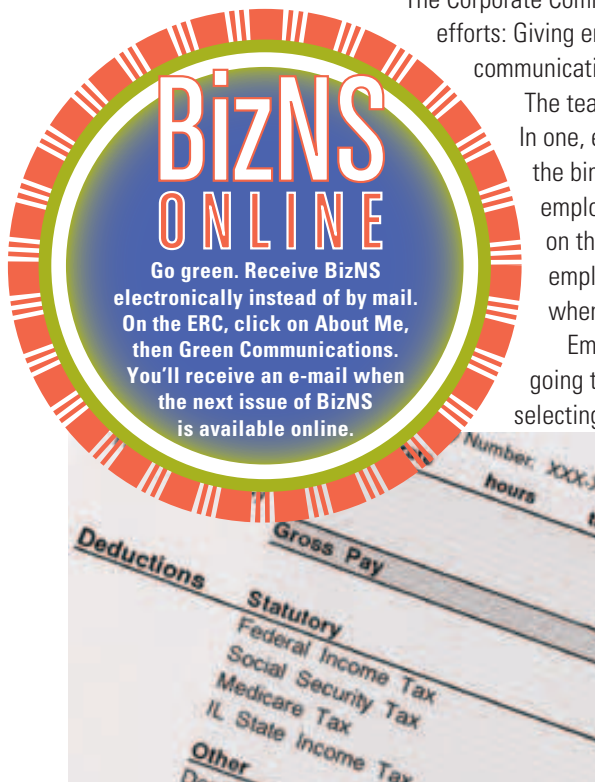
The second pilot involves train and engine service employees. They will be able to receive their payroll earnings and declination statement electronically rather than in the mail. If they elect to participate, payroll accounting will send them an e-mail and

Web link to the ERC, where they can review their earnings statement.

It is similar to a program launched a few years ago to give employees electronic notice of their payroll direct deposit advice, Alderman said.

"If we can get good employee response, there may be some fairly significant savings," he said. "There are significant paper, printing, and mailing costs associated with those statements, and they go out every pay period."

The green team is sponsored by **Susan Stuart**, assistant vice president accounting operations and a member of the railroad's Innovation Council. Through the innovatioNS Web site, numerous employees suggested that NS could save money by eliminating paper documents it sends to employees. With the council's support to convert that message to action, Stuart championed formation of a cross-departmental team to look for greener ways to communicate with employees.



■ Top: NS employees can opt to receive electronic notification when the latest issue of BizNS is available online.

■ Bottom: Train and engine employees can elect to receive payroll earnings and declination statements electronically.

"We wanted to start with some 'quick hits' that were technically feasible to do and then look at expanding our horizons," Alderman said. "Our hope is that once this effort becomes more known throughout the company other people are going to give us more ideas."

Team member **Rick Harris**, director corporate communications, and **Andrea Just**, manager corporate communications and BizNS editor, helped coordinate the pilot on BizNS, a product of their department. Contributing to the team have been members from NS human resources, mail services, information technology, law, and the corporate secretary's office

"This initiative was made possible by the combined resources, talents, and collaboration of people from several departments," Harris said. "Ultimately, it's all about serving our readers better by delivering BizNS in the way they prefer. It improves our communications with employees and allows them to support the company's sustainability goals."

It's 'OK' to go green

Across the railroad, the groundswell of employee activity to make the company greener is impressive, said **Blair Wimbush**, vice president real estate and corporate sustainability officer. In December 2007, CEO **Wick Moorman** named Wimbush as the railroad's sustainability officer, signaling his commitment to make NS an industry leader in corporate sustainability.

"I think that freed up employees and let them know they can talk openly about these issues, and that nobody has to sneak bottles and cans from office trash cans and take them home to recycle," Wimbush said. "We've done this without adding a lot of new resources or hurting the company's bottom line, and we're getting a lot done."

At the Harrisburg terminal, the company is backing a recycling project that builds on an effort started by **Jeff Moore**, terminal superintendent, **Ben Fennell**, division superintendent, and a core group of employees.

"We're seeing a lot of people in different places take the initiative to recycle, and we want to lend a corporate impetus to these efforts," Wimbush said.

During a six-month pilot, the company will place more than 100 "single stream" recycling bins to collect paper, cans, and bottles. **Karin Stamy**, an NS general attorney who serves on Wimbush's Sustainability Task Force, is overseeing the effort.



■ NS employees are looking for more ways to recycle at all locations, such as the plastic bottle lotto in Knoxville, Tenn.



■ These posters remind Harrisburg employees to recycle more items in a pilot program.

“The main metric to determine success will be to track how much material we divert to recycling as opposed to going into the landfill,” Stamy said. “If we can reduce the waste stream, we anticipate some cost savings by paying less for trash disposal. Also, recyclables are commodities that have value, so there’s potential to generate revenue downstream. Recycled bottles, for example, can be made into plastic pellets that get loaded and shipped in an NS rail car.”

The aim of the pilot is to expand recycling across the Harrisburg Division, said **Tom Teffeteller**, NS chief dispatcher in Harrisburg. He’s leading a recycling committee formed to make that happen.

“Employees are very willing to recycle, it’s just a matter of changing thought processes and making it easier for people to do,” Teffeteller said.

“Being a green company makes us attractive to other companies, and on a personal level it’s the right thing to do to try and help our own environment.”

A primary target of the recycling campaign is the plastic water bottles the company provides for transportation crews. The bottles get tossed along the tracks or dropped on the ground in rail yards, posing a potential safety hazard that could cause employees to trip, slip, or twist an ankle if stepped on.

As an incentive to recycle them, the Harrisburg pilot will borrow from a Knoxville Terminal initiative known as “bottle lotto.” By writing their names on bottles they find in the yard and dropping them in recycling bins, Knoxville employees earn the chance to win prizes during periodic “lotto” drawings.

David Cass, a yard engineer, earned an NS Spirit Award for innovation for coming up with the idea.

Before the first lotto drawing last summer, Knoxville employees collected more than 7,000 bottles over several weeks, said **Skip Stigall**, Knoxville terminal superintendent. For prizes, Stigall purchased merchandise from the NS catalogue, including hats, shirts, and flashlights.

“There were guys picking up bottles that I never thought would even look at one,” Stigall said. “What’s interesting is that most people have gotten in the habit of it and have stopped throwing their bottles on the ground. It’s just a matter of breaking old habits.”

During the past year, NS management trainees have received a ground floor introduction to the railroad’s sustainability efforts. A May 2009 class of trainees was charged with developing systemwide recommendations to reduce paper waste. A July class focused on ways to grow the company’s recycling efforts.

“They see more of the company than anybody else because they’re training all across the railroad. This gives them a way to contribute to the organization as they learn the business,” said **Dan Coyne**, recently promoted from employee development specialist to assistant manager human resources planning.

“They’re going to become NS supervisors,” Coyne said, “and this experience can be a stepping point for them to implement new policies and to start thinking early on about ways to reduce costs and eliminate waste.” ■ BizNS

SPIRIT Award winners

Norfolk Southern's SPIRIT Award program recognizes the exceptional accomplishments of NS employees. Congratulations to these employees whose contributions were recognized in the fourth quarter of 2009.

Innovation

Gibson V. Barbee, manager continuous improvement, Roanoke
Timothy L. Barnhart, general foreman, Roanoke
Russell Barton, machinist, Roanoke
Larry B. Batho, carman, Melvindale, Mich.
Herman Ted Beighey, boilermaker, Conway, Pa.
Stephen G. Bell, foreman, Gordon, Ga.
Mike R. Bird, electrician, Roanoke
Nelson L. Boothe, student boilermaker, Roanoke
Joseph F. Chirdon, boilermaker, Altoona, Pa.
Steve K. Coble, signal test man, Leipsic, Ohio
James R. Cottrell, machine operator, Conway, Pa.
Daren Douglas, mechanical supervisor, Bellevue, Ohio
Gary J. Fischer, electrician, Altoona, Pa.
Tim J. Frink Jr., boilermaker, Roanoke
James B. Gatton, terminal trainmaster, Mobile, Ala.
Blair S. Hanna, manager eCommerce, Roanoke
Larry Jackson, conductor, Atlanta
Doyle P. Johnson, boilermaker, Chattanooga, Tenn.
Pat E. Keister, senior general foreman, Roanoke
Earl E. Lint, machinist, Conway, Pa.
Donnie S. Love, student electrician, Roanoke
Chris W. Miller, management trainee, Atlanta
Josh B. Norton, management trainee, Atlanta
Corey Plunkett, assistant manager purchasing, Roanoke
Donald D. Raichle, machinist, Juniata, Pa.
Danny Reed, wreckmaster, Bluefield, W.Va.
Timothy A. Rhodes, machinist, Juniata, Pa.
Craig S. Rice, switchman, Atlanta
Joseph M. Richardella, system manager locomotive sales and marketing, Altoona, Pa.
Ridge Smith, machinist, Roanoke
Terry L. Toms, student boilermaker, Roanoke
James A. Voigt, student machinist, Roanoke
Kenneth R. Walters, machinist, Roanoke
Timothy J. Wiedemer, senior general foreman, Altoona, Pa.
Mark E. Wittl, manager eCommerce applications, Roanoke

Performance

Kyle M. Abbey, management trainee, Atlanta
Meghan O. Achimasi, product manager, Roanoke
Charles L. Adams, shop supervisor, Charlotte, N.C.
Kirby L. Anderson, carman, Lewistown, Pa.
Christopher N. Atkinson, trackman, Ashtabula, Ohio
Jim E. Atkinson, road foreman of engines, Crewe, Va.
Wayne A. Barclay, track supervisor, Latrobe, Pa.
John A. Barnett, carman, Raleigh, N.C.
John Neal Bates, manager coal planning and services, Roanoke
Robert H. Beasley, foreman, Raleigh, N.C.
M. E. Belt, trainmaster, St. Louis
David S. Besignano, special agent, Elizabeth, N.J.
John S. Blank, road foreman of engines, Shenandoah, Va.
Jamie E. Boles, machine operator, Chattanooga, Tenn.
Christopher A. Bolick, machinist, Charlotte, N.C.
Keith E. Borders, assistant manager clearances, Atlanta
K. R. Bozada, assistant terminal superintendent, St. Louis
Jesse L. Brannon, pipe fitter, Charlotte, N.C.
James C. Broughman, machinist, Roanoke
Jimmie L. Brown, assistant track supervisor, Conway, Pa.
Prince A. Brown, carman, Charlotte, N.C.
Richard S. Brown, division road foreman of engines, Roanoke
Chuck N. Browning, senior general foreman, Fort Wayne, Ind.
David B. Browning, road foreman, Birmingham, Ala.
Nick S. Bryson, machinist, Charlotte, N.C.
C. Randy Burns, engineer, Birmingham, Ala.
David K. Burns, electrician, Charlotte, N.C.
R. Suzanne Butler, commercial development manager, Charlotte, N.C.
Timothy B. Byars, machinist, Charlotte, N.C.
John S. Carey, special agent, Elizabeth, N.J.
Gene E. Carter, carman leader, Fort Wayne, Ind.
Kenneth E. Chervinski, laborer, Ashtabula, Ohio
Jeremy D. Connor, painter, Charlotte, N.C.
Michael W. Corso, product manager, Roanoke
Patrick T. Coseglia, national account manager, Chicago
T. E. Crouch, chief dispatcher, Decatur, Ill.
Donald R. Cunningham, trackman, Ashtabula, Ohio
Dwight E. Dauberman, machinist, Charlotte, N.C.
Kristie D. Dibeau, assistant product manager, Roanoke
R. Larry Dillon, manager clearances, Atlanta
Johnny W. Dulin, pipe fitter, Charlotte, N.C.
Kirby D. Elliott, pipe fitter, Charlotte, N.C.



Dana M. Erickson, supervisor customer service operations, Atlanta
Archie T. Ervin, machinist, Charlotte, N.C.
Claude N. Farmer, blacksmith, Charlotte, N.C.
Randy D. Faulkner, electrician, Charlotte, N.C.
John R. Fleps, track supervisor, Conway, Pa.
Scott M. Foster, machinist, Charlotte, N.C.
Dennis C. Frazier, laborer, Raleigh, N.C.
Lindsey E. Frazier, HR systems analyst, Norfolk
David F. Frederes, electrician, Charlotte, N.C.
Brian M. Garber, business analyst, Roanoke
Clifford C. Garner, product manager, Roanoke
Stefan L. Gatlin, machinist, Charlotte, N.C.
Charlie H. Gibson, foreman, Chattanooga, Tenn.
Douglas W. Gottsabend, machinist, Charlotte, N.C.
Kevin L. Gray, laborer, Raleigh, N.C.
M. F. Greenwell, dispatcher, Decatur, Ill.
Mark E. Hackbart, manager environmental services, Norfolk
Harold A. Haldren, road foreman of engines, Roanoke
William D. Halsey, carman, Moraine, Ohio
Warren B. Harris, engineer, Birmingham, Ala.
Russ D. Hawk, machinist, Charlotte, N.C.
Oral T. Hester, foreman, Raleigh, N.C.
George Hommel, assistant foreman, Ashtabula, Ohio
George E. Hopson, machine operator, Ashtabula, Ohio
James E. Howell, clearance engineer, Atlanta
James L. Howell, electrician, Charlotte, N.C.
Paul W. Hulbert, engineer, Altoona, Pa.
Rocky A. Hunsucker, machinist, Charlotte, N.C.
Daniel B. Johnson, machinist, Charlotte, N.C.
Nathaniel A. Jones, senior systems analyst, Roanoke
Roy N. Karnap, laborer, Charlotte, N.C.
Robert A. Karwoski, special agent in charge, Pittsburgh
Teresa W. Keith, manager data systems, Atlanta
Shae B. Kemp, crew dispatcher, Atlanta
Gary S. Kirk, laborer, Raleigh, N.C.
Bill R. Kovach, electrician, Charlotte, N.C.
Adam J. Lemarr, hub manager intermodal operations, Harrisburg, Pa.
Pamela A. Lemon, manager shortline marketing, Roanoke
Darrick T. Leopard, machinist, Charlotte, N.C.
Jerry L. Marcum, road foreman of engines, Roanoke
Richard J. Massien, electrician gang leader, Cleveland
Gerald M. McCarty, shop supervisor, Charlotte, N.C.
Craig L. McEwan, pipe fitter, Charlotte, N.C.

A. Wayne McKinney, machinist training gang leader, Roanoke
Thomas J. McMahon, assistant manager of fleet quality, Atlanta
M. R. Miller, engineer, Bluefield, W.Va.
John M. Mills, machinist, Roanoke
Charles J. Mullis, laborer, Charlotte, N.C.
Ralph L. Murphy, painter, Charlotte, N.C.
C. Luke Nichols, product manager, Roanoke
Darryl E. Norris, road foreman of engines, Norfolk
Kevin J. O'Donnell, assistant foreman, Latrobe, Pa.
Joe H. Ossler, machinist, Charlotte, N.C.
Aaron J. Pease, signal supervisor, Bellevue, Ohio
Cassandra Z. Peery, assistant manager clearances, Atlanta
Charles R. Peters, road foreman of engines, Roanoke
Jason H. Post, special agent, Elizabeth, N.J.
Whitney G. Price, assistant product manager, Roanoke
David W. Ratcliff, manager fleet quality, Atlanta
Nathan Ravizee, engineer, Birmingham, Ala.
Christopher T. Reynolds, senior systems coordinator, Roanoke
Mike S. Rimer, manager fleet planning, Atlanta
Benjamin S. Roberts, carman, Charlotte, N.C.
Charlie D. Roberts, engineer, Birmingham, Ala.
M. D. Rounsavall, dispatcher, Decatur, Ill.
Len R. Shearer, engineer, Birmingham, Ala.
Kemp M. Shockley, equipment engineer, Charlotte, N.C.
Kathryn D. Slider, assistant manager customer service operations, Atlanta
Greg W. Soest, record clerk, Fort Wayne, Ind.
Joseph A. Spadone, terminal supervisor, Conway, Pa.
Anthony J. Sparks, plate jack operator, Lexington, Ky.
Scott R. Spears, carman, Charlotte, N.C.
Kristian Staum, assistant product manager, Roanoke
D. Wayne Stocks, machinist working gangleader, Norfolk
Lawrence W. Stone, pipe fitter, Charlotte, N.C.
William T. Studley, carman, Charlotte, N.C.
Bryan S. Taylor, conductor, Birmingham, Ala.
Charles A. Tennant, foreman, Waynesburg, Pa.
William B. Thompson, machinist, Altoona, Pa.
Laura E. Tice, assistant chief dispatcher, Fort Wayne, Ind.
Scott H. Vinsack, machinist, Charlotte, N.C.
Eric E. Walker, machinist, Charlotte, N.C.
Travis R. Walker, pipe fitter, Charlotte, N.C.
Robert P. Wisowaty, supervisor special agent, Elizabeth, N.J.
Thomas M. Workman, assistant track supervisor, Waynesburg, Pa.
C. C. Wright, road foreman of engines, St. Louis
Brad T. Yeatts, product manager, Roanoke



ON THE COVER:

After pulling through a tough year, Norfolk Southern looks ahead to the opportunities and challenges of 2010. With a solid history of success, a resilient franchise, and a work force willing and able to rise to the toughest of challenges, 2010 looks to be a year with some gains even in an uncertain economy.

BizNS presents an in-depth look at the challenges and opportunities Norfolk Southern faces. It is produced by the Corporate Communications Department.

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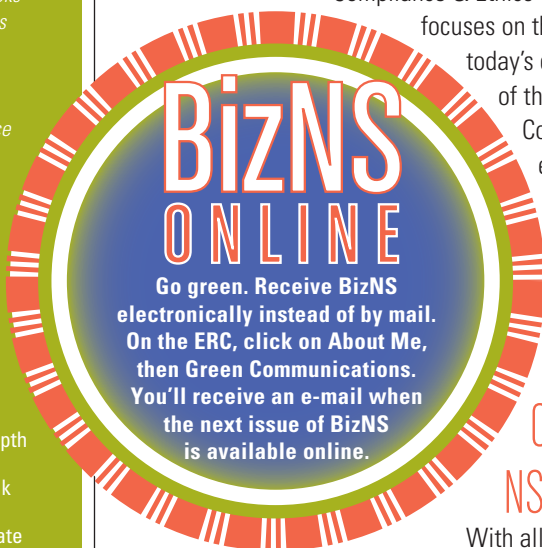
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Corporate Compliance & Ethics Week May 2-8

This year marks Norfolk Southern's second annual participation in Corporate Compliance & Ethics Week, a nationally recognized event that focuses on the importance of ethics and compliance in today's corporate environment and raises awareness of the ongoing activities of NS' Ethics and Compliance Program. The theme for this year's event is "Leading by Example."

Watch for daily employee communications, online activities, and prize opportunities May 2 - 8. ■ BizNS



Call For entries For the 2011 NS wall calendar contest

With all the snow across the country in January and February, we should get some great snow photos for the 2011 NS wall calendar. For more calendar contest details and to print out an entry form, go to www.nscorp.com/calendar. If you have questions, contact **Rhonda Broom**, manager advertising and promotions, at (757) 629-2706 or e-mail rhonda.broom@nscorp.com.

Send entries to: 2011 Calendar Contest, Norfolk Southern Corp.,
Three Commercial Place, Norfolk, VA 23510-9217

As always, practice Thoroughbred safety when taking photographs. ■ BizNS